

EXHIBIT "E"

**THE BYLAWS OF
ATLANTIS VILLAS OWNERS ASSOCIATION, INC.**

THE BYLAWS OF THE ATLANTIS VILLAS OWNERS ASSOCIATION, INC. (the "Regime") are promulgated pursuant to the Horizontal Property Act of South Carolina, Chapter 31, Title 27, Code of Laws of South Carolina, 1976, as amended, and as may be further amended from time to time (the "Act") for the purposes of governing the Atlantis Villas Horizontal Property Regime (the "Regime") and for the administration of the Regime. All terms not defined in these Bylaws have the meaning set out in the Act or the Master Deed dated June 24, 2005 from Atlantis, LLC, a South Carolina limited liability company, as Grantor, with all Exhibits incorporated therein and all amendments thereto (the "Master Deed").

ARTICLE I

PROPERTY OWNERS ASSOCIATION

Section 1.1 Name. The name of the Association shall be Atlantis Villas Owners Association, Inc. (the "Association"). The Association is a non-profit corporation organized pursuant to the South Carolina Nonprofit Corporation Act of 1994, Chapter 31, Title 33, Code of Laws of South Carolina, 1976, as amended (the "Nonprofit Act").

Section 1.2 Membership. Each Co-Owner shall be a member of the Association. A person who holds a mortgage on a Unit as security for payment of a debt shall not be a member entitled to exercise the rights of Co-Owner unless such person holds a proxy conferring such rights.

Section 1.3 Quorum. The presence in person or by proxy of Co-Owners owning one-third of the Percentage Interest in the Common Elements shall constitute a quorum for the transaction of business at meetings of the Association.

Section 1.4 Voting. A Co-Owner's voting rights and the vote required to adopt decisions is as set out in Article VII of the Master Deed. Votes can be cast only at meetings of the Association convened in accordance with the Bylaws and the Act; and, in the absence of a valid proxy, an individual shall act in his own behalf, a corporation shall act by any officer thereof, a partnership shall act by any general partner thereof, an association shall act by any associate thereof, a limited liability company shall act by its manager, or, if the company has no manager, by any member, and a trust shall act by any trustee thereof. When any Unit is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, partner in partnership, or any other manner or joint or common ownership, one person or entity shall be designated

the voting member to bind all the others. Written notice of such designation shall be delivered to the Secretary of the Association prior to the exercise of a vote by joint owners. All votes appurtenant to a single Unit must be cast together and may not be split.

Section 1.5 Proxies. Each Co-Owner entitled to vote may vote in person or by proxy at any meetings of the Association. Each proxy shall be executed in writing by the Co-Owner or by his duly authorized attorney-in-fact, dated as of its execution, and shall be filed with the Secretary of the Board. No proxy shall confer authority to vote at any meeting other than the next meeting, or adjournment thereof, held after the date on which the proxy was executed.

Section 1.6 Consents. Any action that may be taken by a vote of the Co-Owners may also be taken by written consent to such action signed by all Co-Owners entitled to vote, or, in the case of Units owned by two or more Co-Owners, by the designated voting Co-Owner.

Section 1.7 Annual Meetings. An annual meeting of the Association shall be held in the Fall of each year, or at such other time as may be determined by the Board of Directors. Any business which is appropriate for action of the Co-Owners may be transacted at an annual meeting.

Section 1.8 Special Meetings. Special meetings of the Association may be called at any time by the President of the Board or by a majority of the Board and shall be called upon the written request of Co-Owners owning ten percent of the Percentage Interest in the Common Elements. Only such business as is stated in the notice of meeting shall be transacted at a special meeting, unless all Co-Owners entitled to vote waive notice of any additional business.

Section 1.9 Notice of Meetings. Written notice of every annual or special meeting of the Association stating the time, date, and place of the meeting shall be given to every Co-Owner entitled to vote not fewer than ten (10) nor more than sixty (60) days in advance of the meeting. The notice should specify a description of any matter that must be approved by the Co-Owners as specified in Section 33-31-705 of the Nonprofit Act, as amended. All notices of special meetings shall describe the business proposed to be taken at the meeting. Failure to give proper notice of a meeting of the Co-Owners shall not invalidate any action taken at such meeting unless (1) a Co-Owner entitled to vote who is present but was not given proper notice objects at such meeting, in which case the matter to which such Co-Owner objects shall not be taken up or (2) a Co-Owner entitled to vote who is not present and was not given proper notice objects within thirty (30) days following such meeting, in which case, the action to which such Co-Owner objects shall be void.

Section 1.10 Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Co-Owner may, in writing, waive notice of any meeting either before or after such meeting. Attendance at an annual meeting by a Co-Owner, whether in person or by proxy, shall be deemed

waiver by such Co-Owner of notice of the time, date, and place thereof unless such Co-Owner specifically objects to the lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted unless objection to lack of notice is raised before the business to which proper notice was not given is put to a vote.

Section 1.11 Place of Meeting. All meetings of the Association shall be held upon the Regime Property or at such other convenient place as the President of the Board, or a majority of the Directors, may direct.

Section 1.12 Adjournment. Any meeting of the Association may be adjourned from time to time for periods not exceeding thirty (30) days by vote of Co-Owners holding a majority of the vote represented at such meeting, regardless of whether a quorum is present. Any business that could properly be transacted at the original session of a meeting may be transacted at an adjourned session, and no additional notice of adjourned sessions shall be required.

Section 1.13 Order of Business. The order of business at all meetings of the Co-Owners shall be as follows: Roll call and certifying of proxies; Proof of proper notice of the meeting or waiver of notice; Reading of minutes of preceding meeting; Report of the Board of Directors; Reports of officers; Reports of committees; Report of manager; Presentation of budget; Election of directors (when required); Unfinished business; and New business.

Section 1.14 Minutes of Meeting. The Secretary of the Board shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Association. Such minutes shall be made available for examination and copying by any Co-Owner at any reasonable time.

ARTICLE II

BOARD OF DIRECTORS OF THE ASSOCIATION

Section 2.1 Form of Administration. The Association shall be an incorporated body and shall act by and through its Board. The number of directors on the Board shall be three (3). The initial directors shall be Deborah S. Van Blarcum, Jeffrey T. Shoup, and David T. Hix, Jr.

Section 2.2 Powers and Duties. The Board shall be responsible for the affairs of the Association and shall have all the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Master Deed, the Permitted Encumbrances, and these Bylaws directed to be done and exercised exclusively by the Co-Owners.

The Board shall delegate to one of its members the authority to act on behalf of

the Board on all matters relating to the duties of the manager, if any, which might arise between meetings of the Board.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Board shall have the power to and be responsible for the following in way of explanation, but not limitation:

- a. Preparation of an annual budget pursuant to Article V in which there shall be established the contribution of each Co-Owner to the Common Expenses;
- b. Making assessments to defray the Common Expenses (including, without limitation, utility expenses as set forth in Subsection 6.1.g of the Master Deed), establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment (Unless otherwise determined by the Board, the annual assessment against the proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for such month.);
- c. Providing for the operation, care, upkeep, maintenance, and replacement of all the Common Elements;
- d. Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Elements and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- e. Collecting the assessments, depositing the proceeds thereof in a bank depository, which it shall approve, and using the proceeds to administer the Association;
- f. Making and amending rules and regulations;
- g. Opening of bank accounts on behalf of the Association and designating the signatories required;
- h. Making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Elements in accordance with the other provisions of the Master Deed and the Bylaws after damage or destruction by fire or other casualty;
- i. Enforcing by legal means the provisions of the Declaration, the Bylaws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the owners concerning the Association;

- j. Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- k. Paying the cost of all services rendered to the Association or its members and not chargeable to owners;
- l. Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The books and vouchers accrediting the entries thereupon shall be available for examination by the owners and mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board for the general knowledge of the owners. All books and records shall be kept in accordance with generally accepted accounting practices;
- m. Make available to any prospective purchaser of a residential unit, any Co-owner of a residential unit, any first mortgagee, and the holders, insurers, and guarantors of a first mortgage on any residential unit current copies of the Declaration, the Articles of Incorporation, the Bylaws, rules governing the residential unit, and all other books, records, and financial statements of the Association that the Board deems appropriate; and
- n. Permit by easement or otherwise utility suppliers to use designated portions of the Common Elements reasonably necessary to the ongoing development or operation of the Property;

Section 2.3 Election and Term. Grantor shall appoint the initial Board. Until the sale by Grantor of 88% of the Units or December 31, 2020, whichever shall last occur, Grantor shall be entitled to exercise, without the consent of the Co-owners, all rights granted to the Co-owners to elect the members of the Board of Directors by the Act, the Master Deed, or these Bylaws. Directors shall serve staggered three-year terms with roughly one-third of the Board coming up for election each year.

7.9
Section 2.4 Removal. A Director may be removed from office with or without cause by the affirmative vote of Co-owners holding two-thirds (2/3) of the Percentage Interest in the Common Elements. The unexpired portion of the term of any Director so removed shall be filled by a new Director by the remaining members of the Board.

Section 2.5 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by the Co-owners shall be filled by a new Director elected by the affirmative vote of a majority of the remaining Directors even though such remaining Directors do not constitute a quorum.

Section 2.6 Voting. Each Director shall have one (1) vote on all matters acted

upon by the Board of Directors. The vote of a Director shall be cast only by such Director personally at a meeting of the Board of Directors convened in accordance with these Bylaws. Proxies shall not be permitted in any vote of the Board of Directors. The affirmative vote of a simple majority of the Directors present at the time of a vote, if a quorum is present at such time, shall be sufficient for any action unless otherwise specified in these Bylaws.

Section 2.7 Quorum. A majority of Directors shall constitute a quorum for the transaction of business.

Section 2.8 Consents. Any action that may be taken by a vote of the Board of Directors may also be taken by written consent to such action signed by all Directors.

Section 2.9 Regular Meetings. A meeting of the Board of Directors shall be held during each fiscal year immediately following the annual meeting of the Association and such regular meeting dates as the Directors shall desire shall be fixed after the annual meeting of the Co-Owners by mutual agreement of the Directors present at such meeting. Any business that is appropriate for action of the Board of Directors may be transacted at any duly called meeting of the Directors.

Section 2.10 Special Meetings. Special Meetings of the Board of Directors may be called from time to time by the President of the Association and shall be called upon the written request of two (2) of the Directors. Any business may be transacted at a special meeting if called upon two (2) days notice.

Section 2.11 Notice of Meetings. Except for the annual meeting, written notice of every regular or special meeting of the Board of Directors stating the time, date, and place of the meeting shall be given to every Director and officer not fewer than two (2) nor more than ten (10) days in advance of the meeting. Failure to give proper notice of a meeting of the Board of Directors shall not invalidate any action taken at such meeting unless (1) a Director who was present but was not given proper notice objects at such meeting, in which case the matter to which such Director objects shall not be taken up, or (2) a Director who is not present and was not given proper notice objects in writing to the lack of proper notice within thirty (30) days following such meeting, in which case the action to which such Director objects shall be void.

Section 2.12 Waiver of Notice. Waiver of notice of a meeting of the Board of Directors shall be deemed the equivalent of proper notice. Any director may, in writing, waive notice of any meeting of the Board of Directors either before or after such meeting. Attendance at a meeting by a Director shall be deemed waived by such Director of notice of the time, date, and place thereof unless such Director specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted unless objection to lack of notice of all business transacted is raised before the business in which proper notice was not given is put to a vote. If the notice is waived in advance of a special meeting of

the Board of Directors, such waiver shall apply only to such matter transacted at the special meeting which has been communicated in advance to the Director who has waived notice.

Section 2.13 Place of Meeting. All meetings of the Board of Directors shall be held upon the Property or at such other convenient place as the Board of Directors may direct. Meetings may be conducted by conference telephone.

Section 2.14 Minutes of Meetings. The Secretary of the Board shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Board of Directors. A copy of such minutes shall be distributed to each Board Member within thirty (30) days following each meeting, and all such minutes shall be made available for examination and copying by Co-Owner at any reasonable time.

Section 2.15 Compensation. The Directors shall serve without compensation, but shall be entitled to reimbursement by the Association for expenses incurred in the conduct of their duties.

Section 2.16 Executive Session. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE III

OFFICERS OF THE ASSOCIATION

Section 3.1 Designation. The Board shall have a President and a Secretary, who shall serve respectively as the presiding officer and record keeper for the Board. Offices may be filled by the same individual. The Board may elect such other officers as it deems appropriate. The officers shall have the authority, powers, duties, and responsibilities provided by these Bylaws, or, to the extent not so provided, by the Board of Directors.

Section 3.2 Election and Term. Officers of the Board shall be elected by the Board of Directors following each annual meeting of the Board of Directors and at such other times as may be required to fill vacancies in any office. All officers shall serve until their successors have been elected and assumed office unless sooner removed as hereinafter provided. An officer may be re-elected to any number of terms.

Section 3.3 Removal. Any officer may be removed from office at any time with or without cause by the Board of Directors.

Section 3.4 President. The President shall be a member of the Board and shall preside at all meetings of the Association and the Board. He shall have all of the general

powers and duties which are usually vested in a board chairman, including, but not limited to, the power to appoint committees from among the Co-owners from time to time as he may, in his discretion, deem appropriate to assist in the conduct of the affairs of the Board or the Association.

Section 3.5 Manager Representative. As noted in Section 2.2, the Board of Directors shall select one of its members to act as Manager Representative.

Section 3.6 Secretary. The Secretary, who need not be a member of the Board, shall prepare and keep, or cause to be prepared and kept, the minutes of all meetings of the Co-owners and the Board, and shall have charge of such books and papers as the Board may direct.

Section 3.7 Treasurer. The Board may elect a Treasurer, who need not be a member of the Board. The Treasurer shall have custody of, and responsibility for, Association funds and securities and shall keep the financial records and books of account for the Association. If a Manager is employed as hereinafter provided, custody of Association funds and securities and responsibility for maintaining full and accurate accounts of all receipts and disbursements may be delegated to the manager if the Board so determines, but in such case, the Board shall verify the amount of Association funds and securities in the custody of the Manager and review and reconcile the accounts maintained by the Manager at such intervals as may be determined by the Board of Directors.

Section 3.8 Compensation. The officers may receive such compensation as the Board of Directors may determine and shall be entitled to reimbursement by the Association for expenses incurred in the conduct of their duties.

ARTICLE IV

MANAGER

Section 4.1 Employment. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to the managing agent or manager, subject to the Board's supervision, all the powers granted to the Board by these Bylaws, other than the powers set forth in subparagraphs a, b, f, g, and i of Section 2.2 of these Bylaws, Grantor, or an affiliate of Grantor, may be employed as managing agent or manager.

Section 4.2 Term. No management contract may have a term in excess of three (3) years and each contract must permit termination by either party without cause and without termination fee on ninety (90) days or less written notice.

Section 4.3 Financial Interest. A manager shall not contract with himself, or with any person or entity related to him, except in accordance with Section 5.9.e

requiring written board approval.

ARTICLE V

FINANCES

Section 5.1 Fiscal Year. The fiscal year of the Association shall end December 31st unless the Board of Directors shall otherwise determine.

Section 5.2 Budget. The Board shall prepare, adopt, and present, or cause to be prepared and presented, to the Co-Owners at their annual meeting an annual budget (the "Budget") for the Regime for the next fiscal year. The budget as adopted by the Board shall set forth with particularity the anticipated Common Expenses for the fiscal year, together with the amount of reasonable reserves for the payment of future Common Expenses and contingencies.

Section 5.3 Approval of Budget. The Budget, as adopted by the Board, may be amended upon the motion and an affirmative vote of Co-owners holding two-thirds (2/3rds) of the Percentage Interest in the Common Elements. The Budget presented and as amended, if amendments are made, shall become the budget of the Regime for the fiscal year. The terms and the provisions of the Budget shall be binding upon the Co-Owners and the Board until its terms are amended by action of the Board duly presented to a special meeting of Co-Owners for approval by Co-Owners owning two-thirds (2/3rds) percent of the Percentage Interest in the Common Elements.

Section 5.4 Regular Assessments. The funds required by the Budget shall be collected by the Board from the Co-Owners in proportion to their respective interests in the Common Elements in equal monthly or quarterly assessments as the Board of Directors may determine ("Regular Assessments").

Section 5.5 Special Assessments. The funds required from time to time to pay any Common Expenses which are not covered by the Budget but which are approved by a majority of the Co-Owners shall be collected from the Co-Owners by the Board of Directors in such installments as the Co-Owners shall determine ("Special Assessments").

Section 5.6 Individual Assessments. Any payments to the Association which one or more, but fewer than all, of the Co-Owners shall be obligated to make pursuant to the terms of the Act, the Master Deed, or these Bylaws shall be due upon demand and shall be collected by the Board as individual assessments ("Individual Assessments").

Section 5.7 Collection. Co-Owners shall be personally liable for all assessments and shall pay the same promptly when due. In its discretion, the Board of Directors may take appropriate action to establish reasonable late payment penalties, to collect by suit, foreclosure, or other lawful method any overdue assessment. If any overdue assessment is collected by an attorney or by action at law, the Co-Owners owing the same shall be

required to pay all reasonable costs of collection, including attorney's fees.

Section 5.8 Penalty. An assessment not paid within thirty (30) days following the date when due shall bear a penalty in an amount to be determined annually by the Board and consistently applied, plus interest on the principal amount of the assessment from the date when due at a rate to be determined by the Board not to exceed the maximum permitted by law. The penalty shall be added to and collected in the same manner as the assessment. For purposes of this paragraph only, an unpaid assessment shall not be deemed overdue until the Board has delivered to the Co-Owner owing the same a demand for payment, unless the Board has within thirty (30) days prior to the date when due delivered to such Co-Owner a written notice of the amount and the date due, in which case, no further demand shall be necessary. The Board may, in its discretion, waive all or any portion of a penalty or interest imposed pursuant to this paragraph if it appears that the failure to pay the assessment when due was caused by circumstances beyond the control of the Co-Owner.

Section 5.9 Accounts. The following management standards of performance will be followed, unless the Board, by resolution, specifically determines otherwise:

a. accrual accounting, as defined by generally accepted accounting principles, shall be employed;

b. accounting and controls should conform with established American Institute of Certified Public Accountants (AICPA) guidelines and principles; (A segregation of accounting duties should be maintained and disbursements by check shall require two (2) signatures. Cash disbursements shall be limited to amounts of Twenty-five (\$25.00) Dollars and under.);

c. cash accounts of the Association shall not be commingled with any accounts;

d. no remuneration shall be accepted by the manager from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;

e. any financial or other interest which the manager may have in any firm providing goods or services to the Association shall be disclosed promptly to, and approved in writing by, the Board for each and every transaction with that and commencing at the end of the month in which the first residential unit is sold and closed, quarterly financial reports shall be prepared for the Association containing:

1. An Income Statement reflecting all income and expense activity for the preceding three (3) months on an accrual basis;

2. An Account Activity Statement reflecting all receipt and disbursement activity for the preceding three (3) months on an accrual basis;

3. An Account Status Report reflecting the status of all accounts in an actual versus approved budget format with a Budget Report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten (10%) percent of a major budget category (as distinct from a specified line item in an expanded chart of accounts);

4. A Balance Sheet of an accounting date which is the last day of the month closest in time to three (3) months from the date of closing of the first sale of a residential unit in the project, and an Operating Statement for the period from the date of the first closing to the said accounting date, which shall be distributed within sixty (60) days after the accounting date;

5. A Balance Sheet as of the last day of the Association's fiscal year and an Operating Statement for said fiscal year, which shall be distributed within ninety (90) days after the close of a fiscal year; and

6. A Delinquency Report listing all owners who have been delinquent during the preceding three (3) month period in paying the monthly installments of assessments and who remain delinquent at the time of the report and describing the status of any action to collect such installments which remain delinquent. A monthly installment of the assessment shall be considered to be delinquent on the fifteenth (15th) day of each month.

Section 5.10 Payments. The Board shall provide for payment of all debts of the Association from the funds collected from Co-Owners. Expenditures specifically approved in the Budget may be paid without further approval unless the Board of Directors shall otherwise determine. All other expenditures which are in excess of an amount to be determined by the Board of Directors shall be reviewed and approved by the Secretary of the Board of Directors before payment is made. Unless the Manager is authorized by the Board of Directors to draw checks upon the account of the Association, any check or request for withdrawals drawn upon any account of the Association shall be signed by the Chairman and the Secretary or by any two (2) officers of the Association designated by the Board of Directors. The Board of Directors may also authorize the Manager to make disbursements from the petty cash fund, if any.

Section 5.11 Bonding. The Board may secure a fidelity bond in an amount of not less than Ten Thousand (\$10,000.00) Dollars covering every individual authorized to withdraw funds from any checking or savings account maintained by the Association. The cost of the bond shall be a Common Expense.

ARTICLE VI

MAINTENANCE AND IMPROVEMENTS

Section 6.1 Maintenance by Manager. At the direction of the Board of Directors, the Manager or the Board of Directors shall provide for the maintenance, repair, and replacement of the Common Elements.

Section 6.2 Maintenance by Co-Owners. The Units shall be maintained in good condition and repair by their respective Co-Owners. Each Co-Owner shall also provide for the routine cleaning of all Limited Common Elements reserved for the use of this Unit.

Section 6.3 Default by Co-Owner. In the event that any Co-Owner fails to perform the maintenance required of him by these Bylaws or by any lawful Regulation, and such failure creates or permits a condition which is hazardous to life, health, or property, or which unreasonably interferes with the rights of another Co-Owner, or which substantially detracts from the value or appearance of the Regime Property, the Board of Directors shall, after giving such Co-Owner reasonable notice and opportunity to perform such maintenance, cause such maintenance to be performed, and charge all reasonable expenses of so doing to such Co-Owner by an individual Assessment.

Section 6.4 Expenses. The expenses of all maintenance, repair, and replacement provided by the Manager or the Board of Directors, including losses by storm, fire, or other casualty insured by the Association, shall be Common Expenses, except that when such expenses are not fully reimbursed by insurance proceeds and when they are necessitated by (1) the failure of a Co-Owner to perform the maintenance required by these Bylaws or by any lawful Regulation or (2) the willful act, neglect, or abuse of a Co-Owner, they shall be charged to such Co-Owner as an Individual Assessment.

Section 6.5 Improvements. The Board of Directors shall provide for the making of such improvements and additions to the Common Elements as may be approved from time to time by a majority of the Co-Owners. The cost of such improvements shall be Common Expenses; provided, however, that no Co-Owner shall, without his consent, be assessed in any one (1) year for the making of improvements to the Common Elements an amount in excess of one (1 %) percent of the value of his Unit as set forth in the Master Deed unless such improvements have been approved by Co-Owners holding two-thirds (2/3rds) of the Percentage Interest in the Common Elements.

ARTICLE VII

RESTRICTIONS AND REGULATIONS

Section 7.1 Restrictions. The use of the Regime Property shall be subject to the restrictions set forth in the Master Deed and to the following Regulations.

Section 7.2 Regulations. Pursuant to Section 7.4 of the Master Deed, the Board shall adopt and amend from time to time such reasonable regulations ("Regulations") governing the operation and use of the Regime Property as it may deem necessary or desirable. It shall be necessary to publish newly adopted Regulations or the amendment or repeal of existing Regulations, and no Co-Owner shall be bound by any newly adopted Regulation or any amendment or repeal of an existing Regulation until a copy of the same has been delivered to him.

Section 7.3 Enforcement. The Board shall enforce the terms of the Act, the Nonprofit Act, the Master Deed, these Bylaws, and the Regulations promulgated pursuant hereto by taking prompt and appropriate action to correct any violations. In addition to any other remedy to which the Association or any Co-Owner may be entitled, the Board of Directors may impose against a Co-Owner reasonable fines not to exceed an amount per day to be determined annually by the Board of Directors and consistently applied for any violation of the terms of the Act, the Master Deed, these Bylaws, or of the Regulations promulgated pursuant hereto. Such fines shall be collected as Individual Assessments. Each day during which a violation occurs or continues may be deemed a separate offense.

Section 7.4 Responsibility of Co-Owners. Each Co-Owner shall be deemed responsible for the conduct of members of his household and his tenants, agents, guests, and pets, but the responsibility of the Co-Owner shall not relieve any member of his household or any of his tenants, agents, or guests for any liability to the Association or to a Co-Owner for the acts of such member, tenant, agent, guest, or pet.

Section 7.5 Hearing Procedure. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Co-Owner, and to suspend a Co-Owner's right to vote or to use the common elements for violation of any duty imposed under the Act, the Nonprofit Act, the Master Deed, these Bylaws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board to limit ingress and egress to or from a Unit. In the event that any occupant of a Unit violates the Act, the Non-profit Act, the Master Deed, the Bylaws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Co-Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

- a. **Notice.** Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed; (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Board for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a

challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction in the notice shall be imposed.

- b. **Hearing.** If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the Co-owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The decision of the Board after the hearing shall be final.

c. **Additional Enforcement Rights.** Notwithstanding anything to the contrary contained in the Master Deed or Bylaws, the Association, acting through the Board, may elect to enforce any provision of the Master Deed, these Bylaws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations, as provided below) or by suit at law or in equity to enjoin any violation or to recover monetary damages, or both, without the necessity for compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Co-Owner or occupant responsible for the violation for which abatement is sought shall pay all costs, including reasonable attorney's fees, actually incurred.

ARTICLE VIII

LIABILITIES AND INDEMNIFICATION

Section 8.1 Liability of Association. No member of the Association, by virtue of membership alone, is or shall be liable for the debts or torts of the Association.

Section 8.2 Indemnification Among Co-Owners. Each Co-Owner shall be entitled to contribution from and indemnification by every other Co-Owner to the extent that such Co-Owner discharges or is required to discharge any portion of any liability of the Association in excess of such Co-Owner's proportionate share of such liability, except that no Co-Owner shall be required to provide contribution or indemnification on account of a liability which was due and payable prior to the time such Co-Owner became a Co-Owner.

Section 8.3 Liability of Directors and Officers. No Director or officer of the Association shall be liable to any Co-owner for any decision, action, or omission made or performed by such Director or officer in the course of his duties unless such Director or

officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Act, the Master Deed, the Permitted Encumbrances, or these Bylaws.

Section 8.4 Indemnification of Directors and Officers. The Association shall indemnify and defend each Director and each officer of the Association from any liability claimed or imposed against him by reason of his position or actions as a Director or any officer of the Association if all the following conditions are satisfied:

(a) Such Director or officer is not required to bear such liability by the terms of the Act, the Master Deed, or these Bylaws;

(b) Such Director or officer gives the Association adequate notice of the claim or imposition of liability or permit the Association reasonable opportunity to defend against the same; and

(c) Such Director or officer cooperates with the Association in defending against the liability. The expenses of indemnifying a Director or an officer shall be a Common Expense. The Board may obtain insurance to provide in whole or in part for this indemnification, and the cost of such insurance shall be a Common Expense.

ARTICLE IX

ATTESTATIONS AND CERTIFICATIONS

Section 9.1 Attestation of Documents. The presence of the signature of the Secretary or an Assistant Secretary of the Board on any contract, conveyance, or any other document executed on behalf of the Association by another officer of the Association shall attest:

(a) That the officer of the Association executing the document does, in fact, occupy the official position indicated, that one in such position is duly authorized to execute such document on behalf of the Association, and that the signature of such officer subscribed on the document is genuine; and

(b) That the execution of the document on behalf of the Association has been duly authorized.

Section 9.2 Certification of Documents. When any document relating to the Regime Property or the Association is certified as authentic by the Secretary or an Assistant Secretary of the Association, a third party, without the knowledge or reason known to the contrary, may rely on such document as being what it purports to be.

Section 9.3 Certification of Actions and Facts. When there is executed by the Secretary a written statement setting forth (1) actions taken by the Association or by the Board or (2) facts relating to the Regime Property or the Association as determined by the Board, a third party, without the knowledge or reason to know the contrary, may rely on such statement as factually true and correct.

Section 9.4 Absence of Seal. The absence of the seal of the Association from

any contract, conveyance, or other document executed on behalf of the Association shall not impair the validity of such contract, conveyance, or document or of an action taken pursuant thereto or in reliance thereon, but the person relying on the same shall bear the burden of establishing that the execution of the same was duly authorized and accomplished on behalf of the Association.

ARTICLE X

AMENDMENTS

Section 10.1 Procedure. Subject to the Master Deed, and specifically to the rights of Grantor as set forth in Article XIV thereof, these Bylaws may be amended from time to time by resolution adopted by the affirmative vote of the Co-Owners holding two-thirds (2/3rds) of the Percentage Interest in the Common Elements. No amendment to these Bylaws shall be effective unless and until filed of record as an amendment to the Master Deed.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Record of Ownership. Any person who acquires title to a Unit shall promptly inform the Board of his or her identity and the date upon and manner in which title was acquired. The Board shall maintain a record of the names of all Co-Owners and of the dates upon which they acquired title to their Units.

Section 11.2 Notification of Transfer. A Co-Owner shall promptly notify the Board of a proposed transfer of title to his Unit setting forth the closing date and the name and address of the transferee.

Section 11.3 Notices. All notices shall be sent in accordance with the Nonprofit Act. Any notices or documents deposited postage prepaid and addressed to the last known owner of a Unit at his last known address shall be deemed delivered to the Co-Owner of such Unit, unless the Co-Owner has previously specified to the Board of Directors in writing another address for delivery of such notices and documents. Any notices or document addressed to the Board of Directors shall be deemed to be given when such notice is deposited postage prepaid in the United States Mail addressed to such Director at his address as it appears in the records of the Association.

Section 11.4 Waiver. No provision of these Bylaws or of the Regulations promulgated pursuant hereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 11.5 Conflicts. In the event of any conflict between these Bylaws and

the Regulations, these Bylaws and the Act, or the Nonprofit Act, or the Master Deed, the Act, the Nonprofit Act, or the Master Deed shall control, as appropriate. In the event of a conflict between these Bylaws and the Regulations, these Bylaws shall control.

Section 11.6 Severability. The provisions of these Bylaws are severable and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder hereof.

Section 11.7 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision hereof.

Section 11.8 Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and vice versa, whenever the context requires or permits.

The foregoing are certified to be the true and complete Bylaws of the Corporation as adopted by the Incorporator as of June 24, 2005.


Secretary

Date of Certification: June 24, 2005

EXHIBIT F
PLOT PLAN
ATLANTIS VILLAS HORIZONTAL PROPERTY REGIME

See Plat Book 206 at page 9.

EXHIBIT G

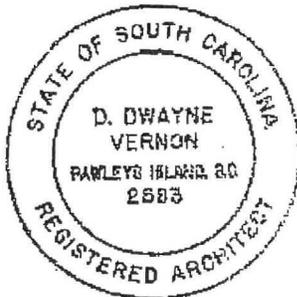
FLOOR PLANS
ATLANTIS VILLAS HORIZONTAL PROPERTY REGIME

See Condominium Plat Book e at Page(s) 194

June 24, 2005

ATLANTIS VILLAS
DWELLING UNIT CERTIFICATION

This is to certify that the drawings reviewed by D. Dwayne Vernon, AIA Architect, accurately depict, with reasonable tolerances and minor construction changes, the layout, dimensions, numbering, and relationship to adjacent units and other improvements. These documents are further described as those drawings entitled "Atlantis Condo Complex" sheet No.'s D0.0 through D0.3 (inclusive), D1.0 through D1.7 (inclusive), D2.3 through D2.4 (inclusive), D3.0 through D3.11 (inclusive), D4.1 through D4.3 (inclusive), D6.0 through D6.3 (inclusive), PT00 through PT05 (inclusive), as supplemented by drawings prepared by D. Dwayne Vernon, AIA, entitle "Atlantis Villas" . These drawings are further stamped with the seal of William J. Lahm, Registered Professional Engineer No. 16724 and bearing the date of January 31, 2004





D. Dwayne Vernon
AIA Architect
License No. 2583

EXHIBIT H

FOR PROPERTY DESCRIPTION SEE ATTACHED EXHIBIT "A", WHICH IS INCORPORATED HEREIN AND MADE A PART AND PARCEL HEREOF.

PURSUANT TO S.C. CODE ANN. SECTION 48-39-330 (1988 SUPP.), GRANTOR DISCLOSES TO THE PURCHASER OF ANY UNIT THAT THE LAND ON WHICH THE PROJECT IS CONSTRUCTED OR A PORTION THEREOF IS OR MAY BE SUBJECT TO STATUTORY REGULATION BY THE SOUTH CAROLINA COASTAL ZONE ACT OF 1977, S.C. CODE ANN. SECTIONS 48-39-10 ET. SEQ. (1988 AS AMENDED BY THE SOUTH CAROLINA BEACH MANAGEMENT ACT, S.C. CODE ANN. SECTION 48-39-270 ET. SEQ. (1988 SUPP.), HERINAFTER COLLECTIVELY CALLED "THE COASTAL CONTROL ACTS." THE COASTAL CONTROL ACTS INVOLVE, SNF MSY SUBJECT THE PROPERTY TO, THE CREATION AND EXISTENCE OF INTERIM AND FINAL BASELINES, SETBACK LINES, THE VELOCITY ZONE AND AN EROSION RATE, ALL AS IS MORE FULLY DEFINED IN THE COASTAL CONTROL ACTS. PART OR ALL OF THE PROJECT IS OR MAY BE LOCATED SEAWARD OF THE SETBACK LINE, THE MINIMUM SETBACK LINE OR INTERIM BASELINE, AND HAS AN EROSION RATE, ALL AS DETERMINED BY THE SOUTH CAROLINA COASTAL COUNCIL,

OFFICE OF OCEAN COASTAL RESOURCE MANAGEMENT. ALL OR PART OF THE PROJECT IS OR MAY BE THE VELOCITY ZONE AS DETERMINED BY THE FEDERAL EMERGENCY MANAEMENT AGENCY. THE COASTAL CONTROL ACTS MAY ALSO RESTRICT A CO-OWNER'S RIGHT TO REPAIR OR REBUILD STRUCTURES ON THE LAND. NO STRUCTURE MAY BE CONSTRUCTED SEAWARD OF THE SETBACK LINE WITHOUT A PERMIT ISSUED BY THE SOUTH CAROLINA COASTAL COUNCIL,

OFFICE OF COASTAL RESOURCE MANAGEMENT. PURSUANT TO THE COASTAL CONTROL ACTS, THE LOCATIONS OF THE BASELINES AND INTERIM AND FINAL SETBACK LINES ARE SUBJECT TO CHANGE. THE METHODOLOGY IN DETERMINING THE EXACT LOCATION OF THE SETBACK LINES AND BASELINES ON THE PROPERTY AND THE CURRENTLY APPLICABLE EROSION RATE MAY BE OBTAINED FROM THE SOUTH CAROLINA COASTAL COUNCIL,

OFFICE OF OCEAN COASTAL RESOURCE MANAGEMENT. THE METHODOLOGY DESCRIBED ABOVE MUST BE IN A CASE-BY-CASE, PROPERTY MANNER IN ORDER FOR AN EXACT, SURVEYED DETERMINATION TO BE MADE OF THE LOCATION OF THE BASELINES AND SETBACK LINES. GRANTOR MAKES NO REPRESENTAITON TO THE PURCHASER OF ANY UNIT CONCERNING THE LOCATION OF SUCH BASELINES, SETBACK LINES, OR THE VELOCITY ZONE, THE EFFECT OF SUCH REGULATION ON THE PROJECT, OR THE ACCURACEY OF THE

FOREGOING DISCLOSURE. THIS INFORMATION IS SHOWN WITH MORE PARTICULARITY ON THAT PLAT MADE BY ROBERT L. AND ASSOCIATES, INC. RECORDED IN PLAT BOOK 205, PAGE RECORDS OF Horry COUNTY, REFERENCE TO WHICH IS HEREBY MADE FOR A MORE COMPLETE DESCRIPTION,

PURSUANT TO 1976, NOTICE IS GIVEN THAT SECTION 1-1 SOUTH CAROLINA CODE ANNOTATED, IS GIVEN THAT ALL ACTIVITIES ON OR OVER AND ALL USES OF ANY SUBMERGED LAND CRITICAL AREAS ARE SUBJECT TO THE JURISDICTION OF THE SOUTH CAROLINA COASTAL COUNCIL,

OFFICE OF OCEAN COASTAL RESOURCE MANAGEMENT, INCLUDING BUT NOT LIMITED TO THE REQUIREMENTS THAT ANY ACTIVITY OR USE MUST BE AUTHORIZED BY THE SOUTH CAROLINA COASTAL COUNCIL,

OFFICE OF OCEAN COASTAL RESOURCE MANAGEMENT. ANY OWNER IS LIABLE TO THE EXTENT OF HIS OWNERSHIP AND FOR ANY DAMAGES TO, ANY INAPPROPRIATE OR USES OF, AND ANY DUTIES OR RESPONSIBILITIES ANY SUBMERGED LAND, COASTAL WATERS, OR ANY OTHER CRITICAL AREA.